



CONTACT:

Wayne A Michel, President
Reading & Northern Railroad
610-562-2100
<https://www.rbnrr.com>

Reading & Northern Purchases Large Industrial Complex

FOR IMMEDIATE RELEASE

April 21, 2022 - Port Clinton, PA – Reading & Northern Railroad has acquired the former north campus of the Kovatch Fire truck company. The complex consists of nine buildings spread over approximately 10 acres of property in Nesquehoning Borough, Carbon County.

The Kovatch company was sold six years ago to KME, a part of the REV Group. Last Fall, KME decided to cease operations in Nesquehoning and the property was put up for sale.

The facility sits in the middle of the Reading & Northern 400-mile rail system that runs from Reading in the south to Hazleton, Scranton and Mehoopany in the North. The Kovatch location is alongside the rail line that Reading & Northern purchased in 2021 from Carbon County, a rail line that now connects the Reading & Northern's Reading and Lehigh Divisions.

The investment in the Kovatch facility is just the latest investment by Reading & Northern in this region. In 2020 Reading & Northern finished the construction of the new Nesquehoning Bridge Phase 2 at a total cost of \$14 million. After it purchased the Carbon County rail line for \$4.7 million, Reading & Northern spent over \$5 million to upgrade the track. And now Reading & Northern has acquired the Kovatch property in Nesquehoning for \$2 million.

"We are investing in our future and the future of the communities we serve," said Andy Muller, Jr., founder, and owner/CEO of Reading & Northern. "Our company is growing by leaps and bounds. In fact, we believe we will be enjoying double digit carload and revenue growth for years to come fueled in large part by the increasing worldwide demand for Pennsylvania anthracite coal. We have always been known as "the Road of Anthracite" and this year the world has decided to purchase its coal from reliable Pennsylvania producers instead of Russia. We expect our coal business to grow substantially in 2022 and for years to come."

Among the buildings purchased by Reading & Northern are a number of buildings with heavy cranes systems capable of lifting equipment of varying weights. "We anticipate locating important parts of our freight and passenger operations in Nesquehoning, which sits in such a perfect location for our railroad and our employees. We now will have the room to grow our equipment maintenance and repair facilities as well as providing much needed storage. With over 1600 freight cars and our ever-growing passenger fleet, which now consists of 47 cars, plus over 70 motor vehicles and countless number of other equipment for our track department and other departments, we were running out of space to keep our equipment well maintained." said Muller.

As part of its agreement with KME, Reading & Northern has allowed them to lease the buildings so they could complete the building of the last fire trucks to come out of the original Kovatch location.

Reading & Northern Railroad, with its corporate headquarters in Port Clinton, is a privately held railroad company serving over 75 customers in nine eastern Pennsylvania counties (Berks, Bradford, Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill, and Wyoming). It has expanded its operations over the last 30+ years and now handles over 34,000 carloads of freight and 225,000 excursion train riders over 400 miles of track. Reading & Northern operates both freight services and steam and diesel-powered excursion passenger services, owns almost 1,800 freight cars, and employs nearly 300 dedicated employees. Reading & Northern has repeatedly been honored as one of the premier railroads in the nation including being named Regional Railroad of the year in 2020 by Railway Age Magazine.